



How to Help Build a Neighborhood Sewer Using a CAD

While most homes in central Contra Costa County are connected to Central San's public sewer system, some homes continue to be served by private septic tanks. The cost to extend public sewers into an area serviced by septic tanks can be an extreme financial burden for owners. To address this burden, the concept of a Contractual Assessment District (CAD) was developed. A CAD is a financing arrangement that allows a group of at least three neighborhood property owners to share the cost of planning, design, and construction to extend a new sewer to serve their parcels over time at a fixed interest rate.

The following steps outline the basic steps to form a CAD. The steps are the same for formations of an Alhambra Valley Assessment District (AVAD) in southern Martinez.

- 1. Determine your eligibility and potential participants in the CAD.**
 - If you want or need to obtain public sewer service and there is no existing sewer main to connect to, you may be eligible to form a CAD with neighboring property owners.
 - Reach out to Central San staff, who will determine the route for a sewer main extension and the number of benefitting properties.
- 2. Central San staff will determine if the CAD formation criteria are met*.**
 - If the criteria are met, you will need to ask each property owner along the proposed sewer route to complete and sign an interest list. The more property owners who express interest, the more likely a CAD will be formed.
 - If the criteria are not met, you have 30 days to request an appeal.
- 3. Central San's Board of Directors (Board) votes on the formation of a CAD.**
 - The Board will consider technical, economic, staffing, budgetary, environmental, and other factors when deciding to approve the CAD proposal.
 - If approved by a Board Committee, a recommendation is made to the Board to adopt a Resolution of Intention to formally initiate the CAD. An annexation petition may be requested if a CAD property is currently not in Central San's service area.
- 4. Prepare and submit plans to Central San.**
 - You and the other property owners must retain a civil engineer to prepare plans for the sewer extension and provide descriptions of any required easements**. Initial payments to the civil engineer will be made directly by the property owners.
 - Once submitted, project plans will be reviewed by Central San for compliance with specifications and regulations.
- 5. Obtain contractor bids.**
 - Property owners must give plans to contractors and obtain bids for construction of the sewer. At least three bids are preferable.

- Send the bids to the Sewer Financing Coordinator at sewerfinancing@centralsan.org to begin processing. The lowest bid will be awarded the contract.

6. Sign and return Notice of Proposed Assessment and CAD agreement.

- Staff will prepare an Engineer's Report that includes the estimated cost of the CAD and Notice of Improvement. The Notice of Improvement will be published and include public hearing information.
- Staff will also send out Notices of Proposed Assessment, which include ballots for owners to indicate their approval of or opposition to the proposed assessment, and a CAD agreement (to sign and return) describing the responsibilities, the work, and provisions for payment by all voluntary, participating owners.

7. The Board holds a public hearing.

- If there is less than a majority protest (more than 50% of ballots in opposition), the CAD is successfully formed.

8. Sign easement documents and obtain permits from other necessary agencies.

9. Enter into a contract with the contractor who submitted the lowest bid.

10. Your contractor will complete the work under the supervision of the property owners as a private construction project.

- Central San will not provide construction management or site supervision, but will inspect the project consistent with the Central San inspection process.

11. Submit payment requests to Central San.

- As work is completed, the coordinating owner will submit payment requests. The coordinating owner will also submit a request to be reimbursed for the payment to the civil engineer and other advanced costs. Payments for work once the CAD is approved are made by Central San directly to the contractor or service provider.

12. Once all inspections are complete, connections may be made to the new sewer.

13. At the conclusion of construction, the Central San Board will determine the assessment per participating property.

- Assessments may be paid in full or financed over a period of up to ten years on the County property tax bill at a fixed interest rate.

For more information on formation criteria, reimbursement fees, and costs eligible to be financed, email sewerfinancing@centralsan.org or visit centralsan.org/financing-programs.

* According to Central San CAD Formation Definition, Criteria, and Rules

** Property owners have **18 months** from when Central San initiates the formation of the CAD to submit sewer plans, construction bids, and other information necessary for the preparation of an Engineer's Report, otherwise the CAD process will be terminated.